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The Political Crisis of Capitalism

2012 has been another year of austerity and economic pain for the working class with continuing redundancies, pay cuts and unemployment currently at 2.58 m. Capitalism has increasingly enriched the powerful and privileged minority who live off the unearned income of rent, interest and profit. The combined wealth of the top richest 1000 people living in Britain grew by almost 5% to £414 billion helped by ingenious schemes for tax avoidance (GUARDIAN 29th April 2012).

This has led to capitalism being criticised by academics, journalists and others, as “*crony capitalism*”, “*unethical capitalism*” and “*casino capitalism*” alarming the leaders of the three main capitalist political parties. Some have even said that there is a “*political crisis of capitalism*”. Criticism of capitalism leads to political fear among the capitalist class and their political representatives even though the criticism found in the media is often incoherent, emotional and moralistic.

In response to this anti-capitalist criticism the political leaders from Labour and the Coalition of Tories and Liberal Democrats have each called for “*a responsible capitalism*”, “*a moral capitalism*” “*a popular capitalism*” and “*a fair capitalism*” in the misguided belief that “*a better capitalism*” can be created to serve the interests of all society. Capitalism, for politicians, is never at fault, only the actions of greedy bankers, “*immoral*” tax dodgers, incompetent politicians and selfish chief executives with their snouts in the corporate trough. Predictably, the political leaders all sing from the same capitalist hymn book. Capitalism, all three political leaders agree, is the best of all possible worlds, what has failed, they say, is the “*irresponsible*” actions of a few high profile villains like bankers, chief executives and comedians. They offer no alternative to the profit system

This is what the Prime Minister, David Cameron said of the “*free market*”, an empty phrase underscoring Cameron’s own limited understanding of capitalism:

We won’t build a better economy by turning our back on the free market. We’ll do it by making sure that the market is fair as well as free...

He also added:

I want... a socially responsible and genuinely popular capitalism. One in which the power of the market and the obligations of responsibility come together... and in which many more people get a stake in the economy and share in the rewards of success. That’s the vision of a better, more worthwhile economy that we’re building

Although Cameron admitted in his speech that there was a “*crisis of capitalism*” he still believed, as an article of faith, that the buying and selling of commodities was benign and harmonious; beyond criticism. For Cameron the “*free market*” could only be “*built on*” rather than the profit system abolished and replaced with Socialism. Three days earlier, at the Mansion House, in London, Cameron’s Deputy Prime Minister, Nick Clegg in a speech attacking “*crony capitalism*” said that he wanted to see a “*John Lewis economy*” which would give individuals a “*real stake*” in companies they worked for. He gave as his reason the need for class co-operation rather than class conflict. On share-ownership he wrote:

John Stuart Mill hoped that employee-owned firms could end what he called the 'standing feud between capital and labour'. And liberals have been championing it ever since. We don't believe our problem is too much capitalism: we think it's that too few people have capital. We need more individuals to have a real stake in their firms (16th January 2012)

And at a conference organised by “WHICH?”, Ed Miliband, leader of the Labour Party, also called for a “*better and more responsible capitalism*” which would reward those making long term investments in the economy while penalizing “*predatory*” businesses. The profit motive, though, was sacrosanct. There was no criticism by Ed Miliband of capitalism *per se*. Capitalism could only “*get better*”.

However the political idealism of “*a better and more responsible capitalism*” benefiting all society comes up against the hard reality of commodity production and exchange for profit. Capitalism is a form of class exploitation whose social problems flow from the private ownership of the means of production. Consequently, the decisions and actions of the employers will still be directed at making profit not in meeting social need. Not because capitalists are intrinsically evil, greedy and immoral, but because the accumulation of capital (or “*the self-expansion of value*”, as Marx put it), is what capitalism exists for. Capitalists may live well off the ownership of the means of production and distribution but they have to exploit and re-invest capital in their companies to remain capitalists. The pain of competition forces employers to behave in this way.

Of course, there have been philanthropic capitalists like Robert Owen at New Lanark Mills and Titus Salt’s model housing for his workers at Saltaire. There have been capitalists, like John D Rockefeller, who have given away all their wealth and the likes of Bill Gates, who set up foundations for charitable works. And recently THE INDEPENDENT touted the multi-billionaire philanthropist Toby Roland, as “*the acceptable face of capitalism*” for the millions he gave recently to Oxford University for poor students (14th July 2012). What is not questioned by politicians is how Owen, Salt, Rockefeller, Bill Gates, Mr Roland and others like them, managed to accumulate their social wealth in the first place. Capitalists can be pious monks, wearing sackcloth and ashes and living lives of asceticism or indulge in lives of debauchery and hedonism. However to remain capitalists they have to exploit the working class by extracting more than they pay workers in wages and salaries. Capital then has to be re-invested to make more profit.

The John Lewis Partnership, singled out for praise by Nick Clegg, promotes a workers’ shares system so employees can share in the profits made. This is not a novel idea and goes back to the early 19th century. Share ownership is used by companies to retain workers they do not want to lose to competitors, as a means to suppress the wages of the workers and to entice them to work harder in the misguided belief they have a “*stake in the company*”. The John Lewis Partnership still exploits its workforce and those working for the company cannot transcend the exploitive framework of the wages system. Workers cannot be given job security and no company can be safe from periodic economic crises and trade depressions. Shares in bankrupt companies become worthless and unemployment for redundant workers will mean surrendering the shares to supplement the dole. Capitalism can only benefit the capitalist class.

Capitalists behaving ethically and a “*John Lewis Economy*” cannot change the exploitive nature of capitalism. Capitalism produces commodities to make profits not to meet human need and as a result the profit system is highly competitive, unpleasant and insecure. What none of the three party leaders admitted, and for a very good reason, was that the entire social wealth generated by capitalism is produced by the working class. If the working class was to establish Socialism - the common ownership and democratic control of the means of production and distribution by

all of society - the needs of all the world's inhabitants would be met "*humanely and decently*" as Marx put it. Politicians can place whatever adjective they like in front of capitalism but capitalism remains capitalism.

The crisis of capitalism is not a question of ethics, but class power and how the material wealth of society is produced and distributed. Here is Cameron again:

"We are the party that understands how to make capitalism work; the party that has constantly defended our open economy against the economics of socialism,"

Cameron's statement shows he clearly understands that his political role is to defend class power and class privilege and to ensure workers remain a subservient and exploited class. By defending "*our open economy*" he means defending capitalism and his appeal to "*fairness*" is intended to obscure the reality of the private ownership of the means of production and distribution and class exploitation. Cameron betrays in his last sentence the real fear of politicians; that there is an alternative to capitalism even if he confuses state capitalism or nationalisation with Socialism. He can no more make capitalism "*work*" than either Clegg or Miliband – capitalism works to its own unpredictable, contradictory and destructive economic laws – but, like Clegg and Miliband – he knows that their collective political role is to defend capitalism against a Socialist alternative. Workers are under no such obligation to defend and retain capitalism but instead they should consciously and politically abolish the profit system and replace it with Socialism.

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Learning From History

There are those who question why Socialists are interested in the past. Well, for a very good reason. To understand and to remember what happened in the past helps make sense of the present and to assist in the struggle to establish Socialism.

An understanding of the past is a useful guide for Socialists to explain capitalism to workers as a transient and historically formed social system born in class struggle and, given a Socialist majority taking conscious and political action, a termination in class struggle.

Current social problems and conflicts are touch-points for Socialists to persuade workers that capitalism can never work in their interest and, instead of voting for capitalist politicians, they think and act for themselves to become agents of change rather than passive recipients of another class's economic and political interests. Only a working class majority understanding and wanting to establish Socialism can replace production for profit to production for social use.

Conflicts and social problems are also historically recurring events affecting one generation of workers after another. Economic crises, trade depressions and periodic high levels of unemployment, for example have affected workers since the early 19th century and have continued throughout the 20th century up until today. Economic crises are the result of the laws of capitalism acting on commodity production and exchange for profit.

Economists cannot predict economic crises; they can offer no policy solutions to politicians to prevent economic crises occurring and once an economic depression takes hold with its high levels of unemployment, austerity for millions and other economic depression related social problems like an increase in racism, suicide, drug abuse, despair, anxiety and suicide, there is nothing politicians can do until an upturn in the economy takes place. Economic crises and trade depressions only end with the abolition of capitalism.

Lessons not learnt about the capitalist cause of social problems merely lay the ground for future mistakes where history repeats itself, as Marx noted in 1852, first as tragedy then as farce (18th BRUMAIRE OF LOUIS BONAPARTE). And to continually repeat the same mistakes is simply political idiocy.

This is no more so than the conflict between nation states and the reason why war periodically takes place under capitalism. Generations of workers have supported their respective capitalist class believing war is about “*king and country*”, “*democracy*” and “*our way of life*” when, in fact, war has its roots deep within capitalist national rivalry over the world’s resources. Generations of workers have killed and died for the interests of the capitalist class. They are still doing so today in Afghanistan and in other wars over the continents of the world. To continue to support capitalism’s wars is sheer idiocy.

Wars under capitalism do not come from nowhere. The rise of dictators has historical reasons. Why a particular country is attacked by another is not the consequence of “*evil politicians*” but for furthering spheres of strategic influence, protecting trade routes and securing raw resources.

The word *idiot* originates from the Greek word *idiotes*, which refers to a person disinterested in participating in democracy and public life – or, in its modern context, political idiocy refers to the working class remaining a “*class in itself*” tied to capital with its dangerous ideas and beliefs of nationalism and patriotism rather than acting as a “*class for itself*” and participating consciously as a revolutionary Socialist movement towards the establishment of Socialism.

US and China: Conflict, War and Spheres of Strategic Influence.

One of the principal causes of war between one capitalist State and another is over the necessity to maintain and further spheres of strategic influence in order to protect and control trade routes and access to raw resources like gas and oil. Placing conflict between nation states into a historical context illuminates why certain areas of the world suddenly take geo-political significance while other areas play a more secondary role.

In 1972, some fifty years ago, the academic Michael T. Klare wrote an influential book “WAR WITHOUT END: AMERICAN PLANNING FOR THE NEXT VIETNAMS” in which he gave a compelling reason why the US was embroiled in a war with Vietnam. This is what he wrote:

America’s tenacious involvement in the Vietnam conflict... has prompted many public figures to suggest that U.S. strategy in Asia is based on irrational principles. But military policies are never formulated in the absence of political and economic considerations and these must be weighed before judgement is made on the soundness of any given strategy.

And he went on to say:

An evaluation of America’s long-term stake in the pacific-Indian Ocean area suggests that the present conflict is not an isolated phenomenon but rather an integral component of U.S. strategy for domination in Asia. This long-term outlook is summed up in the concept of the “pacific Basin” – a trade and investment complex that already rivals the Atlantic economy and is to surpass it in the decades ahead. In order then, to understand the factors that to perpetuate the Great South Asia War, it is necessary first to examine the role of the Pacific Basin and adjacent India Ocean areas in projected U.S. economic expansion” (from an article by Harmo, Indochina and the Pacific Basin, THE WESTERN SOCIALIST Vol. 40, number 294 pp7).

So it comes as no surprise that the United States is attempting to return to the key Vietnam Port at Cam Ranh Bay it last used during the Vietnam War. The use of the port is part of a plan by the US to expand its naval presence in Asia, to access oil supplies in Vietnam and to protect its allies exploring for oil and gas in the disputed territories of the South China Sea, a marginal sea that is part of the Pacific Ocean. The area’s importance largely results from one-third of the world’s shipping passing through its waters and the huge oil and gas reserves beneath its seabed (DAILY TELEGRAPH June 4 2012).

The bay and its airfield was one of the three main centres used by the US during the Vietnam War. Can Ranh is one of South China Sea’s most important natural harbours, and the US intends to use its facility to counter the rise and threat of China’s navy to impede oil and gas exploration and disrupt trade routes. In 2011 Vietnam and the US signed an agreement on “*defence co-operation*”. Vietnam is now seen by the US as a “*partner*” in the region instead

of an enemy. The use of Cam Ranh will allow the US to move its commercial shipping, battle ships and aircraft carriers from ports in the West Coast to ports in the South Pacific basin.

Malcolm Moore of the DAILY TELEGRAPH wrote:

The US Navy plans to switch from a 50-50 split between the Atlantic Ocean and the Pacific, to 60 per cent of its ships in the Pacific by 2020 as it “pivots” towards Asia to contain the rising capabilities of China (June 4 2012).

China, quite understandably, is opposed to this military development. Chinese capitalism protects its own spheres of influence with “*carrier-killer*” anti-ship ballistic missiles and submarines. China does not want the US in Asia and for a very good reason. The clash between China and other countries like India (an ally of the US) for the oil and other natural resources in the South China Seas.

A New War for Oil?

Barak Obama has recently told allies to the US that the US military would be used to counter-balance the power of the Chinese government in the Pacific area. Stephanie Kleine-Ahlbrandt, the Northeast Asia director for the NGO, International Crisis Group, commented

“As Southeast Asian countries run to the US for assistance, Beijing increasingly fears America aims to encircle China militarily and diplomatically. Underlying all of these concerns is the potential that discoveries of oil and natural gas beneath the disputed sections of the South China Sea could fuel conflict (BUSINESS REPORT March 5th 2012).

And oil is the central problem generating capitalist international rivalry. According to GLOBAL RESEARCH:

In 2011, the US consumed 19.6 million barrels of oil daily, which included 9 million barrels of American oil and 10 million of imported oil. Dependency on imported oil was an everlasting headache for Washington. To ensure safe oil shipments the US has maintained relations on preferential terms with the monarchies and authoritarian regimes on the Middle East, equipped the armies and security forces of those countries...Every time when the situation was out of control the US sent limited military contingents to those countries (Lebanon, Somalia), and when there was a threat of ?n oil blockade (the Iraqi invasion of Kuwait in 1991), it switched to full-scale military actions. Such tactics were efficient because the enemies were weak and the US could always rely on the support of its allies.

And they concluded:

Trans-Atlantic unity always won every time there was a danger to lose access to the Middle Eastern oil, but now the situation has changed...According to recent statistics, in 2001 China consumed 5 million barrels of oil a day (four times less than the US) and of this amount imported oil accounted for only 1.7 million barrels a day. In 2008, the world’s second largest economy... consumed 7.8 million barrels a day. It is expected that in 2020 this figure will increase to 13.6 million and in 2035 to 16.9 million, and with domestic production oil demand at 5.3 million barrels, the demand for imported oil will reach 11.6 million barrels. That means that the competition for oil between mega-consumers on the global oil market will become significantly higher (June 6th 2012).

The South China Sea area is thought to hold vast untapped reserves of oil and natural gas that could potentially place China, the Philippines, Vietnam and other claimant nations in conflict alongside the likes of Saudi Arabia, Russia and Qatar. Recently Professor Michael Klare wrote an article “*The New Thirty Years’ War: Winners and Losers in the Great Global Energy Struggle to Come*” for the journal EUROPEAN ENERGY REVIEW, and gave the following interpretation to President Obama’s CANBERRA MANIFESTO:

While administration officials insist that this new policy is not aimed specifically at China, the implication is clear enough: from now on, the primary focus of American military strategy will not be counterterrorism, but the containment of that economically booming land – at whatever risk or cost

. Why a 30 years' war – an allusion to the war of the same name in Seventeenth century Europe? This is Professor Klare's reasoning:

...because that's how long it will take for experimental energy systems like hydrogen power, cellulosic ethanol, wave power, algae fuel, and advanced nuclear reactors to make it from the laboratory to full-scale industrial development.

And why the war analogy? Here is Professor Klare's answer:

...because the future profitability, or even survival, of many of the world's most powerful and wealthy corporations will be at risk, and because every nation has a potentially life-or-death stake in the contest.

The Thirty Years' War (1618-1648) was fought in what is now Germany and at times in most European countries. The conflict was one of the longest and most destructive wars in modern history leading to famine, massacre and the bankruptcy of many of countries taking part; one of the reasons why capitalism was to develop in Britain than elsewhere in Europe.

As the GLOBAL REALM, which carried Professor Klare's comments, pointed out:

It seems that Washington decided to take steps in advance to ensure competition advantages for itself by the time when a military strategic component inevitably emerges in its relations with China. The politicians and the military in the US are getting more and more obsessed with the idea to gain a footing in the Asian Pacific region in order to get control over "sea lanes" through which oil and liquefied gas are shipped to China.

Concluding:

Over the last decades the US, which accounts for 5% of the global population, has been consuming about 40% of all natural resources of the planet. At the same time it is becoming more difficult for the West to get access to raw materials, in particular to energy carriers, which are the economy's "circulatory system" (January 16th 2012).

Here lies the core reason for conflict and war; the private ownership of the means of production, the existence of rival capitalist nation states and commodity production and exchange for profit. A lesson from history; a lesson from the present; and a lesson for the urgent need for the world's working class to replace capitalism with Socialism; and to replace the profit system with its war and waste with common ownership and democratic control of the means of production and distribution by all of society.

CAPITALISM AND WAR

Week after week, television has shown the misery of the wretched, weary refugees from capitalism's wars. With their crying children, their exhausted elderly, their missing men, their distress is a terrible indictment of the profit system and capitalist world system divided into nation-states. Wars are fought over real economic, political or strategic interests. Socialists are opposed to war. When a war ends, who ends up owning the oil and the coal, the factories and the other capital resources of defeated nation-states? Whichever way the international borders are re-drawn, the workers do not end up better off.

No matter which side wins, those workers lucky enough to survive are still, at best, in much the same position as they were before the conflict started. They must continue as before, selling their labour power for wages or salaries and being exploited through the wages system. Capitalism causes war because it is a system based on competition. There is competition at every level. Workers compete for jobs, just as companies compete for profits, with different sections of the capitalist class competing for raw materials and markets. Governments have to protect trade routes and strategic points of influence.

It is this never-ending competition between sections of the capitalist class which is the usual cause of war. To enlist

the support of the working class, they use nationalism. Nationalism, like racism and religion, splits and divides the working class by emphasising differences of language and culture. Nationalism like racism, indicates a lack of understanding of the common interest that the world's working class share, whatever language they speak, whichever country they live in. They all have a shared interest in ending the wages system, a system of class exploitation, competition and war.

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The Daily Mail School of Economics

The myth of the self-made man

PRIVATE EYE once published a cartoon asking the question “*what kind of society lets the DAILY MAIL to be published every day*”. Capitalism of course. THE DAILY MAIL employs a plague of journalists, writers like Richard Littlejohn, who attack everyone and anyone who dares criticise the profit system or questions the pursuit of capitalists amassing vast fortunes at the expense of the working class.

Richard Littlejohn has his pet hates but he has one hero; the capitalist who seemingly has worked himself up from nothing. Anyone who criticises the “*self-made man*” –a myth that goes back to the 19th century with the publication of books like Samuel Smiles’ SELF-HELP (1859) - is berated by Littlejohn as someone succumbing to “*the politics of envy*”. Of course “*the politics of envy*”, like its polar opposite “*the politics of greed*”, is an example of what is known as a logical fallacy. To describe someone’s criticism of capitalism as the “*politics of envy*” is an invalid argument because it attacks the person not the political ideas the person holds. And the Socialist case against capitalism is based on principle and reasoned argument supported by facts.

Capitalists have to exploit the working class to remain capitalists and under pain of competition they have to accumulate capital as an anti-social objective. Workers have to resist the intensity and extent of exploitation and struggle for higher wages at the expense of the profits of the capitalist class. This has nothing to do with “*greed*” or “*envy*” but the objective outcome of the class struggle; a political struggle over the ownership and non-ownership of the means of production and distribution.

After the 2009 Tory conference Littlejohn was at it again. Under the banner “*Better the politics of sunshine than envy*” Littlejohn moaned:

“The idea that everyone who has made a few bob over the past decade is some kind of cigar-chomping, cartoon fat cat, trampling on the workers is as dangerous as it is inaccurate...They have built their own businesses,..., providing goods and services at prices people have been happy to pay. In the process, they have created jobs and paid a small fortune in taxes.....The Money they have spent has kept the economy going and given work to car salesmen, gardeners, builders, cleaners, waiters, travel agents, taxi drivers and dozens of others who make their living from service industries” (DAILY MAIL 09.10.09).

A veritable garden of Eden! Well Littlejohn’s “*few bob*” for defending the capitalist class and the interests of his employer, Viscount Rothermere (domiciled in France for tax reasons), is reported to be in the region of £850,000 a year <http://www.butireaditinthepaper.co.uk>. Not bad for someone producing and disseminating ruling class ideas. Not once has he ever criticised his employer’s off-shore tax havens (markthomosinfo.oc.uk), yet he thinks nothing of denouncing single parent mothers on sink estates for eeking out an existence on State hand outs. He knows not to bite the hand that feeds him.

However when he refers to “*everyone who has made a bob or two*”, Littlejohn has in mind the self-made man not those like himself on high salaries or those who inherited wealth like his paymaster Viscount Rothermere. He is thinking of the likes of Charlie Mullins of Pimlico Plumbers and Lord Sugar

Telling it how it really is

Well, what of the self-made man so beloved by Richard Littlejohn? Let us first start with Samuel Smiles.

It comes as no surprise when reading Samuel Smiles' book on self help why it is so popular today among social conservatives who want to wean a large segment of the working class off State benefits. Here is Smiles:

"Heaven helps those who help themselves" is a well-tried maxim, embodying in a small compass the results of vast human experience... The spirit of self-help is the root of all genuine growth in the individual; and, exhibited in the lives of many; it constitutes the true source of national vigour and strength... Help from without is often enfeebling in its effects, but help from within invariably invigorates... Whatever is done for men or classes, to a certain extent takes away the stimulus and necessity of doing for themselves; and where men are subjected to over-guidance and over-government, the inevitable tendency is to render them comparatively helpless (London, 1882, pp. v, 1-3,5-7. 294).

Socialists see nothing edifying in workers living off State hand-outs any more than being recipients of charity. Social security payments and charity are equally degrading particularly when all the social wealth has been made by the working class in the first place. However, workers should not be looking at "*self-help*" as a strategy for surviving the social problems created by the profit system any more than becoming dependent on the capitalist State and charities. Instead workers should be uniting as a "*class for itself*" to replace capitalism with Socialism.

What of the self-made man escaping from the cobble-street back-to-back slum to a Docklands apartment overlooking the Thames? The poor worker hauling himself up by his own boot straps into the capitalist class is largely a myth. Some workers have become capitalists but not through the way either Smiles or Littlejohn understands.

The working class remains a class in poverty precisely because they do not own the means of production and distribution. Workers can work as hard as possible and save up some of their wages but can still find themselves locked within the wages system by having to work for an employer. Long periods of unemployment see workers lose their savings and their redundancy payments. Workers who do set themselves up as "*self-employed*" are often crushed by competitors with over 50% of the self-employed failing in the first year and 90% failing after 5 years (Growing Your Own Business www.effectivebusiness.com). Only the ruthless and highly competitive survive. What keeps workers as an exploited class is the wages system and what allows a tiny minority to escape and become capitalists is the access to of money capital to set up businesses and exploit workers. For it is in the exploitation of workers that capitalists derive their profit to grow and expand their businesses and investment portfolios.

Primitive Capital

There is a very interesting survey of the background of the first capitalists in Britain given in F. Crouzet in his book "THE FIRST INDUSTRIALISTS: THE PROBLEM OF ORIGINS":

During the 19th century, it was widely believed... that industrialists were mostly self-made men. Born in "humble circumstances" (...), i.e. were born from modest or even poor families, they had started life as wage earners, often working with their own hands; but thanks to hard work, thrift, mechanical ingenuity and character, they had been able to set up their own business, to develop it and eventually to become wealthy and powerful. The paternity of these views is often imputed to Samuel Smiles, in his best seller, SELF HELP, published in 1859...(Ch 3 p. 37 Cambridge University Press 1985)

But he went on to say;

"... a large majority of industrialists came from the middle class, which had a high index of representation, as it did not make up more than 30% of England's population...(Ch 9 The Self-Made Man Again? p. 126).

Between 1750 and 1850, out of the 316 capitalists cited in the book only 11.7% came from the working class (Table

5, p.150). However, where the original capital came from for these capitalists to establish their businesses in the first place is not recorded.

One notable source of capital available to early capitalists was the consequence of the lucrative slave trade. As merchants and others investing in the slave trade got richer they began to invest in inventions, corporations, and factories that helped develop the industrial revolution. In an article “*Slavery and Industrialisation*” the historian, Robin Blackburn wrote:

Liverpool merchant bankers, heavily involved in the slave-based trades, extended vital credit to the early cotton manufacturers of its Lancashire hinterland. West Indian planters built stately homes - some, ridiculously extravagant dwellings such as William Beckford's Fonthill - and furthered the modernisation of British agriculture by 'improving' their estates". Others invested in canals...
(http://www.bbc.co.uk/history/british/abolition/industrialisation_article_01.shtml).

Also, banks - like Heywoods (subsequently owned by Barclays Bank through banking acquisitions in the 19th century) - and Insurance companies (Lloyds of London) were created by or benefited from the slave trade. Banks like Heywoods gave substantial capital to early industrial capitalists and Lloyds underwrote the ships that carried the slaves from Africa to the Americas.

As to the question of the self-made man, Anthony Howe, in his book THE GENESIS OF CAPITAL, when writing of the textile mill owners, remarked:

“The textile elite comprised not so much self-made men, in the sense of socially mobile men from the ranks of the disadvantaged of the pre-industrial world, but men with considerable economic and educational resources”
(Cambridge University Press 2002 p.106)

In the Nineteenth Century there was endless literature from people like Samuel Smiles and others, warning the working class, against riotous living, urging them to work hard, with keenness and thrift, and if they did they would become rich, like the people who were written up in Samuel Smiles book SELF HELP. The self-made man was pure fiction and it was in the fiction of novelists like Charles Dickens’s that the myth of the self-made man was explored and ridiculed.

One of the characters in Dickens’ novel, HARD TIMES is Josiah Bounderby of Coketown who encompasses the mistaken belief about the self-made man. With Bounderby, Dickens set out to show that no person, male or female, can achieve what he or she has in life solely through their own actions.

Dickens exposed the myth of the self-made man, and he did so by showing the hypocrisy of Bounderby, who brags about how he climbed up the social ladder after being “*born in a ditch*” and through his own hard work to become a wealthy hardware merchant without the help of others. In fact Bounderby, it transpires, had a family who took good financial care of him by placing him with an apprenticeship and no doubt later in life found a banker who lent him the capital to set up his business.

In the 1970’s Monty Python also lampooned the myth of the self-made man in their famous comedy sketch of four self-satisfied Yorkshire businessmen – modern day “*Bounderbys*” - outdoing each other in describing their humble backgrounds over a bottle or two of Chateau de Chasselas. These four characters glossed over the origin of the capital they initially began with to start up their businesses which would later allow them to live lives of luxury and drink smart red wine in their villas in the sun.

By the 1980’s the self-made man was being ridiculed in the sitcom ONLY FOOLS AND HORSES where the central character Del Trotter tries unsuccessfully to escape from the prison of Nelson Mandela Towers. It is only the chance discovery of two antique watches which propels the Trotter brothers temporarily into the ranks of the rich.

From Fiction to Fact

In his book THE INDUSTRIAL REVOLUTION IN THE 18TH CENTURY, Paul Mantoux gives many examples of how industrial capitalists really developed as a class. One example he gives is of Joshua Fielden who owned and farmed the family holding. He set up three looms in his house and sold the cloth in the market at Halifax. With the rise of the cotton industry in the Halifax area he bought some Jennies and set up work in three small cottages where his nine children made up the work force— a novel approach to wealth creation; exploiting your own children. What he paid them in wages - if he did - is not known (see ch. 11 *Industrial capitalism* pp374 -408 1928).

For the origins of capitalism attention should be given to the writings of Karl Marx. He noted that it was the slave trade, plunder, pillage, piracy, exploitation of women and children, throwing the peasants off the land and the break-up of the feudal guild system that created the conditions for the development of capital on the one hand and the working class on the other. The conditions in which the working class found itself was harsh, brutal and short and can be read in Engels' book THE CONDITION OF THE WORKING CLASS written in 1844. capitalism.

The real question of the production of social wealth in fact is not the self-made man at all. The real question is this; what is the origin of the money capital the capitalist receives as a loan from the bank or other sources to start off his business? How is it that an initial investment of capital can lead to a greater amount as if by magic? And Marx answered it with his theory of surplus value (*The general Formula for Capital*, p. 251 Penguin ed.) in chapter four of CAPITAL. So let us not begin with the mythical self-made man but with the real question of economics: who really produces the social wealth in capitalism?

To answer the question we have to turn to the writings of Marx. Capital is dead labour; that is, past wealth created by the working class while capital is also a historical and social relationship. In future socialist society, for example, raw resources the means of production and labour will not be capital just as flint stones used as tools were not capital in primitive communist societies. And it is living labour that creates more wealth than they receive in wages and salaries.

Marx went beyond the superficial view of Richard Littlejohn's understanding of economics. That is why Marx is very high on THE DAILY MAIL hate list. They do not lose an opportunity to deride him and belittle his ideas. What other 19th century thinker is periodically dragged through the pages of the modern press with such fear and loathing? Marx is depicted as the modern Lucifer; the devil riding out of CAPITAL. They not only hate Marx's ideas but they also fear them. And for a very good reason. Marx, unlike Smiles and his latter-day supporters, showed how capitalism really developed as a historical social system in its own right. Genesis, for the capitalist class, was no Garden of Eden populated by honest men of "*hard work, thrift, mechanical ingenuity and character*". Here is Marx on slavery; one of the factors in the real genesis of capital accumulation:

...the conversion of Africa into a preserve for the commercial hunting of black skins [that is, the slave trade]. These idyllic proceedings are the chief moments of primitive accumulation... p915. . (Chapter Thirty-One: Genesis of the Industrial Capitalist, CAPITAL: VOLUME 1, 1867 p.915)

Throughout the chapter on the genesis of the industrial capitalist, Marx sketched out a real historical process of violence, appropriation, slavery, war, barbarism, rape, piracy and pillage. The harmonious and benign trade of the butcher, the baker and candlestick maker of Adam Smith's fictional account of the origins of capitalism is replaced with the reality of the slave-owner, class exploitation and the ambition of "*naked self-interest*". So much for the self-made man.

State Terrorism Shakes Hands with Private Terrorism

On 27th June 2012 the Queen symbolically shook hands with the former IRA commander, Martin McGuinness. Some media commentators believed that McGuinness's hand was metaphorically dripping with blood. What of the Queen's hand as the Head of State of British capitalism? Given the State Terrorism of the British Government over the centuries, the same media commentators should have recorded that the Queen's own hand mirrored that of the former terrorist smiling smugly opposite her. Ironically, the following day the Queen unveiled the bomber command memorial to aircraft crews whose actions led to the killing of 300,000 women and children even leaving Churchill to

denounce the aerial bombing of cities like Dresden in February 1945 as 'mere acts of terror and wanton destruction' (draft letter 28th March 1945 National Archives.gov.uk).

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What We Said and When

THE SOCIALIST PARTY OF GREAT BRITAIN RUSSIA AND SOCIALISM FACT SHEET No. 3 6th December 1986

What We Said and When

Is this huge mass of people, numbering about 160,000,000 and spread over eight and a half millions of square miles ready for Socialism? Are the hunters of the North, the struggling proprietors of the South, the agricultural wage-slave of the Central Provinces, and the industrial wage-slaves of the towns convinced of the necessity and equipped with the knowledge required, for the establishment of the social ownership of the means of life? Unless a mental revolution such as the world has never seen before has taken place, or an economic change has occurred immensely more rapidly than history has ever recorded, the answer is “No”!

SOCIALIST STANDARD, August 1918, “*The Revolution in Russia – Where it Fails*”.

Despite his claims at the beginning, he was the first to see the trend of conditions and adapt himself to these conditions. So far was he from “changing the course of history”...that it was the course of history that changed him, drove him from one point to another till today Russia stands half-way on the road to capitalism. The communists in their ignorance may howl at this, but Russia cannot escape her destiny.

SOCIALIST STANDARD, March 1924, “*The passing of Lenin*”.

There is no easier road to Socialism than the education of the workers in Socialism and their organisation to establish it by democratic means. Russia has to learn that.

SOCIALIST STANDARD, August 1920, “*A Criticism of Bolshevik Policy*”.

What They Said and When

Reality says that State Capitalism would be a step forward for us; if we were able to bring about State Capitalism in a short time, it would be victory for us

Lenin: “THE CHIEF TASKS OF OUR TIMES”.

It may be confidently said that, with this pace of industrial development, it will soon come to pass that these countries (Russia and others in the Russian economic bloc) will not only be in no need of imports from capitalist countries, but will themselves feel the necessity of finding an outside market for their surplus products

Stalin, “ECONOMIC PROBLEMS OF SOCIALISM IN THE USSR”, (Moscow 1952).

Anyone who attempts to achieve Socialism by any other route than that of political Democracy will inevitably arrive at the most absurd and reactionary deductions both economic and political, Lenin: “THE TWO TACTICS OF SOCIALIST DEMOCRACY” 1906

Providence surely planned Russia as the stage for the first Socialist civilization
Hewlett Johnson, Dean of Canterbury, SOCIALIST STANDARD, June 1943.

But even were a rouble millionaire possessed of as much money as a sterling one, it would still be anti-socialist... because in the Soviet Union, the millionaire has acquired his roubles by his own toil
Reg. Bishop in the booklet: Soviet Millionaires, Reviewed in SOCIALIST STANDARD, February 1944.

WHAT IS THE PURPOSE OF TRADE?

One of the myths in the economic textbooks is that the purpose of trade is to provide everyone amicably with the things he wants at the lowest possible prices, and that as restrictions on trade, whether in the form of protective tariffs and quotas on imports, or subsidies on exports, or of unstable currencies, prevent goods from being produced where and by whom they can be turned out most cheaply it is the duty of all “*good governments*” to favour freedom of trade.

The myth is given official approval some thirty years ago with the establishment under United Nations auspices of the International Monetary Fund and the General Agreement on Tariffs and Trade (G.A.A.T.) through which the nations were to co-operate to their mutual advantage in securing currency stability, promoting trade and employment and working towards the removal of all trade barriers.

The reality is nothing like this. Trade is a war which capitalists, alone or in associated groups, try to turn their products into cash at maximum profit, and to this end seek to capture markets from rivals by any means that will serve, including government action to protect home markets, subsidised exports and putting pressure on rival governments.

THE TRADE WAR HOTS UP *Socialist Standard*, October 1971

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The Long Depression

From Free Trade to Protectionism

In the first half of the 19th century Capitalism developed rapidly both in the United States and in Europe. This notable achievement by the capitalist class was commented on by Marx and Engels in THE COMMUNIST MANIFESTO:

“The bourgeoisie, during its rule of scarce one hundred years, has created more massive and more colossal productive forces than all preceding generations together. Subjection of Nature’s forces to man, machinery, application of chemistry to industry and agriculture, steam navigation, railways, electric telegraphs, clearing of whole continents for cultivation, canalization of rivers, whole populations conjured out of the ground - what earlier century had even a presentiment that such productive forces slumbered in the lap of social labour” (COMMUNIST MANIFESTO - AND THE LAST 100 YEARS Socialist Party of Great Britain pamphlet pp. 64-64).

In Britain, the development of capitalism was more marked than in other countries. The economist, E. K. Hunt wrote that as a free trade nation Britain increased her capital goods over this period from 11 percent to 22 per cent and exports of coal, iron and steel also sharply rose in tonnage.

And he continued:

“Between 1830 and 1850, England experienced a railroad-building boom in which some 6000 miles of railroad were

constructed...between 1850 and 1880, the production of pig iron increased from 2.25,000 to 7,750,000 tons per year; steel production went up...coal increased...The capital goods industries also prospered...Production of machines, ships, chemicals and other important capital goods employed twice as many men in 1881 as in 1851" ((PROPERTY AND PROPHETS E. K. Hunt p89-90).

The period from the mid-1840's to 1873 (the year that marked the beginning of the Long Depression in the United States and Europe) has been called by the economist, Dudley Dillard "*the golden age*" of competitive free trade capitalism (ECONOMIC DEVELOPMENT OF THE NORTH ATLANTIC COMMUNITY 1967 p. 363).

Of course, it was no "*golden age*" for the working class, where women were forced down the mines and children made up a large composition of the workforce in the mills. The average life span of the working class actually fell between 1821 and 1851: in 1821, 37 per cent died by the age 19, and 70 per cent by age 44; in 1851, 46 per cent by age 19, 78 per cent by age 44 (Eric Hobsbawn, INDUSTRY AND EMPIRE, 1968, page 277).

Through the enclosure Acts, peasants were forced off the land into cities. However it was largely the children of the working class who were to be exploited in the new textile factories and generate the profits which lay the foundations for the "*golden age*" of capitalism.

Many working class parents were unwilling to allow their children to work in these new textile factories. To overcome this labour shortage factory owners had to find other ways of obtaining workers. One solution to the problem of labour scarcity was to buy children from orphanages and workhouses. The children became known as "*pauper apprentices*", the stuff of OLIVER TWIST. This involved the children signing contracts that essentially made them the property of the factory owner.

The historian John Simkins recently wrote of the use of pauper apprentices in the early development of capitalism:

"Pauper apprentices were cheaper to house than adult workers. It cost Samuel Greg who owned the large Quarry Bank Mill at Styal, a £100 to build a cottage for a family, whereas his apprentice house, that cost £300, provided living accommodation for over 90 children. The same approach was taken by the owners of silk mills. George Courtauld who owned a silk mill in Braintree, Essex, took children from workhouses in London. Although offered children of all ages he usually took them from "within the age of 10 and 13". Courtauld insisted that each child arrived "with a complete change of common clothing". A contract was signed with the workhouse that stated that Courtauld would be paid £5 for each child taken. Another £5 was paid after the child's first year".

And he went on to conclude:

"The children also signed a contract with Courtauld that bound them to the mill until the age of 21. This helped to reduce Courtauld's labour costs. Whereas adult males at Courtauld's mills earned 7s. 2d., children under 11 received only 1s. 5d. a week". (<http://www.spartacus.schoolnet.co.uk/IRworkhouse.children.htm>).

Capitalists who owned the major textile mills purchased great numbers of children from workhouses in all the large towns and cities. By the late 1790's about a third of the workers in the cotton industry were pauper apprentices. Child workers were especially predominant in large factories in rural areas. For example, in 1797, of the 310 workers employed by Birch Robinson & Co in the village of Back barrow, 210 were parish apprentices. However, in the major textile towns, such as Manchester and Oldham, parish apprenticeships were fairly uncommon and it was the use of adult male and female labour which was favoured by the employers (J. Rule, THE LABOURING CLASSES IN EARLY INDUSTRIAL ENGLAND, 1750-1850 1986).

This is the basis for the "*golden age of capitalism*". As Marx was to retort: "*capitalism came into being dripping with blood from every head and pore*" (CAPITAL, VOL. 1).

[For other accounts see *Child Labour and British Industrialisation*, Sara Horrell and Jane Humphries, in A THING OF THE PAST, CHILD LABOUR IN BRITAIN IN THE NINETEENTH AND TWENTIETH CENTURIES ed. M Lavalette 1999, for contemporary sketches of the miserable life of the working class see Engels' CONDITION OF THE WORKING CLASS (1845) and Meyhews's LONDON LABOUR AND THE LONDON POOR 1848-50].

In The COMMUNIST MANIFESTO, Marx saw through the utopianism of the free traders and their “golden age” of capitalism. This is what he wrote;

To sum up, what is free trade, what is free trade under the present condition of society? It is freedom of capital. When you have overthrown the few national barriers which still restrict the progress of capital, you will merely have given it complete freedom of action. So long as you let the relation of wage labor to capital exist, it does not matter how favorable the conditions under which the exchange of commodities takes place, there will always be a class which will exploit and a class which will be exploited. It is really difficult to understand the claim of the free-traders who imagine that the more advantageous application of capital will abolish the antagonism between industrial capitalists and wage workers. On the contrary, the only result will be that the antagonism of these two classes will stand out still more clearly (ON THE QUESTION OF FREE TRADE MECW vol. 6 p. 450).

And he continued:

Modern bourgeois society..., is like the sorcerer, who is no longer able to control the powers of the nether world whom he has called up by his spells (loc cit).

There was to be no self-adjusting market harmony and no free trade capitalist utopia meeting the needs of all society. Instead capitalism generated class struggle and a trade cycle in which:

...previously created productive forces, are periodically destroyed...they bring disorder into the whole of bourgeois society... (COMMUNIST MANIFESTO).

Adam Smith’s invisible hand which was supposedly guiding the market to a harmonious end was, instead, attached to the arm of a wild-eyed market anarchist who justified class exploitation on the one hand and violent social disorder, social pain and social disharmony on the other..

In a letter to Bernstein written in 1882, Engels underscored Marx’s point made in THE COMMUNIST MANIFESTO when he wrote that crises created powerful political upheavals whose resolution led to political reaction (LETTERS ON CAPITAL pp. 209-10). And the political reaction in the late Nineteenth century was racism; a crude popular racism and jingoism pursued by the Tories and DAILY MAIL against the Jews and a more systematic racism in the hands of supporters of the breeding theories of the eugenicist Sir Francis Galton.

Engels was writing at the mid-point of what was called “*the Long Depression*”. The Long Depression coincided with the end of British industrial monopoly. There was a heightened International competition by Britain with the US and Germany particularly over exports of agriculture. In the US, for example, the development of transport systems like the railways and technological inventions in farming meant cheap exports of wheat and meat.

The optimism of capitalism and free trade for many emerging capitalist countries gave way to an economic retrenchment associated with protectionism and tariffs. In the late 19th century while Britain still maintained a policy of free trade her main competitors adopted tariff barriers. As early as the 1870’s the newspapers were claiming that Britain’s industrial supremacy was a thing of the past (see J. E. Tyler, THE STRUGGLE FOR IMPERIAL UNITY, 1868-95 1938 p. 12).

And in a footnote to CAPITAL VOLUME 3, Engels wrote:

...protective tariffs are nothing but preparations for the ultimate general industrial war, which shall decide who has supremacy on the world-market. Thus every factor, which works against a repetition of the old crises, carries within it the germ of a far more powerful future crisis (477-8n).

Many British capitalists used the existence of cheap imports like meat and wheat to keep wages down. Not all employers agreed. The exporters increasingly wanted tariffs to be placed on cheap imports from foreign competitors. The threat from foreign competition, particularly Germany, led to calls for “*fair trade*” and “*protectionism*” with the publication of pamphlets like “MADE IN GERMANY” by E. Williams.

Williams wrote:

In all our industries you find a steady slowing-down...it is Germany who is in for the "marvellous progress" now. England made hers when and because she had command of the world's markets (1896 p.5)

Other pamphlets were more sinister. One pamphlet entitled "GERMANIAM ESSE DELENDAM" was published by *The Saturday Review* in 1897 at the end of the Long Depression. The author, who knew his Classics, drew on the writings of the Roman senator, Cato the Elder who, during Rome's Punic Wars with Carthage, had demanded after every debate in the Senate: "*In my opinion Cathage must be destroyed*" (*Ceterum censeo Catharage esse delendam*).

This is what the 19th century author wrote:

Is there a mine to exploit, a railway to build, a native to convert from bread-fruit to tinned meat, from temperature to trade gin, the German and the Englishman are struggling to be first. A million petty disputes build up the greatest cause of war the world has ever seen, If Germany were extinguished tomorrow, the day after tomorrow there is not an Englishman in the world who would not be richer. Nations have fought for years over a city or a right of succession; must they not fight for two hundred and fifty million pounds sterling of yearly commerce (quoted from R. J. S. Hoffman, GREAT BRITAIN AND THE GERMAN TRADE RIVALRY, 1875-1914, 1933, p. 281).

The destruction by the Romans of the City of Carthage led to 145,000 deaths with 50,000 men, women and children sold off into slavery (BLOOD AND SOIL: A WORLD HISTORY OF GENOCIDE AND EXTERMINATION FROM SPARTA TO DARFUR B. Kiernan p. 49, 2002). By the end of the First World War, some seventeen years after *The Saturday Review* article was written, there were 37 million dead across the battlefields of Europe. The killing has never stopped. In this madness the only sanity has been the struggle by Socialists in persuading their fellow workers that the problems caused by capitalism can only be ended by the conscious political action of a socialist majority and the establishment of world Socialism.

TERROR TUESDAY: STATE TERRORISM – US STYLE

A recent New York Times article carried in the Guardian (11th June 2012) revealed that president Obama had routinely given orders for the extrajudicial killing from the Oval Office. He was taking advantage of America's temporary lead in drone technology to wage a series of secret wars in Afghanistan, Pakistan, Yemen, and Somalia. Without consulting the US legislature and the courts, and outside the gaze of the public eye, Obama authorized murder on a weekly basis. A discussion of the guilt or innocence of candidates for the "*kill list*" was resolved in secret on "*Terror Tuesday*" teleconferences with administration officials and intelligence officials. These order came from a president who when a presidential candidate claimed to abhor the use of torture, secret detention centres and the state terrorism associated with the previous Bush administration. The creation of this "*kill list*" – as well as the dramatic escalation in drone strikes, has now killed at least 2,400 people in Pakistan, since 2004. A War on Terror? Actually, it is an example of US State Terrorism. Such is the brutality and barbarism of capitalism that it turns those wanting to end terrorism, torture and war before elected, for Presidency to become active participants in the death and destruction of others when in political power.

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Capitalism, History & Class Struggle

The study of class, class interest and the class struggle is no longer a fashionable topic in academic circles. In his readable but poorly researched book INTELLECTUAL LIFE OF THE WORKING CLASSES (Yale 2002), the historian Jonathan Rose searched a database of academic books published in Britain between 1991 and 2000. He got 13,820 hits for "woman", 4539 for "gender" 1826 for "race", 710 for "post-colonial" and a mere 136 for "working class" (p.464). The trend has continued. A decade later, by 2010 the database for academic books published on the "working class" was less than a couple of dozen entries.

Of course, the “*working-class*” investigated by Professor Rose and other academics is shallow and narrowly defined. Academic definitions of working-class only include so-called blue collar workers like miners and dockers. The use of the term “*working class*” by academics is very restrictive and allows politicians to state that the working class is either disappearing or does not exist at all.

When Socialists use the word *class* it is used precisely in relationship to the ownership or non-ownership of the means of production and distribution. Rather than forming a minority in capitalism, the working class forms a majority even though many workers refuse to accept that they belong to this class. At a general level a world working class confronts a world capitalist class over the ownership and use of the earth’s resources and means to secure a living.

Nevertheless, there can be no other scientific use of class in the analysis of capitalism than the one advocated by Socialists. The concept of class only has significance in the relationship of one class to another class and the relationship of both these classes to the ownership or non-ownership of raw resources, factories, machinery, transport and so on. And it is the Marxian meaning of class related to the means of production and distribution which has been under constant and sustained reactionary criticism for the best part of four decades.

The reaction against the Marxian theory of class is quite understandable. Following the collapse of the Berlin Wall in 1989, the 1990’s was a decade where interest in Marx, class, class interest and the class struggle waned. Many who claimed to be “*Marxists*” found secure employment under the umbrella of Blair’s New Labour government and think tanks where poverty was replaced by “*social exclusion*” and the working class was re-written as “*the underclass*”.

The former-Soviet Union was fallaciously highlighted as a failure of “*Socialism in practice*” and used as a stick by which to beat any alternative proposition to the market and the profit system and even though Socialism has never been established it was deemed to have failed. A class conscious Socialist majority has never politically established the common ownership and democratic control of the means of production and distribution by all of society.

This did not stop the enemies of Socialism pronouncing it dead and buried. “*There is no alternative to the market*” (Tina) Socialists were repeatedly told by capitalism’s supporters. And there was a concerted effort to “*Get Marx*” and deracinate, once and for all, his Socialist ideas from political discourse. After all, hadn’t we been told that human social development had reached “*the end of history*”, terminating in the capitalism enshrined in the United States of America?

Already in the early 1980’s reactionary albeit influential historians like Gertrude Himmelfarb, in her *THE IDEA OF POVERTY, ENGLAND IN THE INDUSTRIAL AGE* (New York, 1983) tried to displace the concept of class from the explanatory centre of nineteenth-century British social history. According to *THE GUARDIAN* (14th February 2009), Himmelfarb wanted a conservative morality to accompany a free market capitalism around the *DAILY MAIL* values of, thrift, self-help, self-discipline, cleanliness, chastity, fidelity and charity. She wanted a return to “*Victorian values*” - including the distinction between the deserving and undeserving poor – as an antidote to the “*grievous moral disorder*” she thought was caused by the politics of the 1960s. Former Prime-Minister, Gordon Brown, who shared her view of the need for a “*moral compass*”, wrote the introduction to her book *THE ROADS TO MODERNITY* (2007) and invited her to lead a seminar at No 11 Downing Street when he was Chancellor of the Exchequer.

Other reactionary historians have taken a similar view to class as Professor Himmelfarb. The historian, William Reddy argued that it is “*quite possible to account for the whole of English social history down through 1850 without invoking class interest*” (*MONEY AND LIBERTY IN MODERN EUROPE: A CRITIQUE OF HISTORICAL UNDERSTANDING*, (Cambridge, 1987, p. 195). And in 1990 Ross McKibbin wrote his woeful *WHY WAS THERE NO MARXISM IN GREAT BRITAIN?* (*The ideologies of Class: Social Relations in Britain 1880 – 1950*, Oxford, pp. 32 -36, written as though the Socialist Party of Great Britain had never existed). While the conservative historian, Professor John Vincent wrote: “*History is about winners, not losers...History is deeply male...History is about the rich and famous, not the poor*” (*INTELLIGENT PERSON'S GUIDE TO HISTORY* 1995, pp. 12, 15 quoted in Richard J. Evans: *IN DEFENCE OF HISTORY* p. 212 2000).

The main target of these academics was the radical historiography begun by E.P. Thompson in 1963 with the publication of his influential book *THE MAKING OF THE ENGLISH WORKING CLASS* now approaching its 50th anniversary.

Thompson stated that he chose the title “*Making of the English Working Class*” in order to demonstrate “*an active process, which owes as much to agency as to conditioning*” (Preface, p.9). He did not see class as an abstract “*structure*” or “*category*” but as “*something which in fact happens (and can be shown to have happened) in human relationships*”. And those relationships were “*always embodied in real people in a real context*” (loc cit p.9).

Thompson rejected the history of Kings and Queens and the deliberations of Statesmen on the one-hand, and the mutilation of Marx’s concept of class and the vulgarised mis-use of Marx’s materialist conception of history found in left-wing academic circles, on the other. Instead he emphasized the class struggle of real living workers as a central force in the historical process of revolutionary change as opposed to some metaphysical abstraction moving through history.

Thompson set out to rescue from historical obscurity the early working class as makers of history. He wrote: “*I am seeking to rescue the poor stockinger (a person who knits on a stocking-frame), the Luddite cropper, the "obsolete" handloom weaver, the "utopian" artisan, and even the deluded follower of Joanna Southcott, from the enormous condescension of posterity*” (p.13). In trying to save individuals and groups of individual workers from “*the enormous condensation of posterity*”, he lost sight of important materialist considerations at the heart of Marx’s political concept of class; particularly the conflict in capitalism between the forces of production and the social relations of production which generates the class struggle and produces socialist ideas.

There are a number of important problems with Thompson’s book. In particular his refusal to engage with Marx’s materialist treatment of class to be found in *THE COMMUNIST MANIFESTO* and later in the three volumes of *CAPITAL*. For Marx, the very peculiar material process of exploitation under capitalism affects both class consciousness and the political class struggle but this insight was ignored by Thompson and not picked up in an uncritical review of the Thompson’s book in the *SOCIALIST STANDARD* (December 1968, p. 196). Nevertheless, *THE MAKING OF THE ENGLISH WORKING CLASS* has the merit to focus attention on the working class, its formation and development in history and still deserves to be read some 50 years later in preference to the cultural historians which later came to dominate historical writing in university history departments.

Thompson’s book was attacked immediately on publication by reactionary historians for moving attention away from traditional and conservative historical writing to one of class, class interest and class struggle. The criticism of “*working-class history*” has continued down to this day, principally because the use of the word class is viewed as divisive and a disturbance to what Thompson called: “*the harmonious coexistence of groups performing different social roles*” (loc cit p 10-11). 50 years later class should have become history. But it isn’t. However, to end on a positive note, a classless society is only a revolution away.

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Democracy & the Socialist Majority.

The fundamental condition for the establishment of Socialism will be the formation of a Socialist majority throughout the world taking conscious political action in their respective countries. At the time of Socialist revolution Socialist ideas will predominate; Capitalist ideas would be dead in the water; capitalist economics would have been replaced by Marx’s critique of political economy opening up for a technical not an economic appraisal of production and distribution to meet social need.

Commodity fetishism and exploitation would be understood and rejected while production, distribution and consumption as a social not an individual process would have been recognised and acted upon. Commodity production hides social relationships and social connections and these would be made transparent in the way socialist society would organise itself.

Production and distribution to meet human need would be an agreed principle by convinced Socialists at the point of Socialism being established. Socialists would have prepared beforehand for the establishment of Socialism. Once the machinery of government had been secured these plans would be readily introduced. No one said it will be easy. Hard decisions will have to be made but they will not be the decisions of leaders but framed democratically by a majority of socialists or their delegates. However Socialists would not be starting from scratch but with a level of production, labour skill and communication and transport system already in existence.

The promise of social reforms by politicians would be ignored and lose their power to prevent the establishment of Socialism. There would be social harmony throughout the world as a socialist majority begins to predominate. A Socialist majority would also hold after the revolution. The means of production will be owned in common under democratic control. There would be free voluntary labour acting socially to meet people's need. There would be democratically agreed plans covering questions of production, distribution, the meeting human needs and the affairs of a Socialist society. Free men and women would not be coerced and there would be no leaders.

Socialist Administration - Centralised or Dispersed?

Can anything fruitful be said about the possible form of planning and administration in Socialism? There is a danger that plans produced today describing a Socialist society will only be able to articulate a utopian speculation bearing the hall mark of the author's own predilections rather than how future socialists will decide to democratically organise themselves.

The most popular view with those with an authoritarian and bureaucratic state of mind is the centralised view. The centralised view takes as its model the United Nations. Because there will be a world community of socialists there would be, the advocates of a centralised administration argue, a world centralised administration which will plan everything, everywhere and carry it out irrespective of the views of local people throughout the world. Socialists see this as both impractical and undemocratic.

There are also questions about the relationship between the community and separate industries. The view of the Socialist Party of Great Britain is that the community democratically decides what to produce not self-controlled industries. This does not mean that the voluntary labour within these industries will not have a democratic say in how production takes place; the quality of the environment and health and safety, but it does not mean that they will have sole say of what is produced and for whom.

There will be disagreements and these will have to be dealt with democratically. The experts will also disagree as now, under capitalism, issues over power and choice of power, e.g. nuclear power, coal, oil, gas, electricity, tidal, wind power and solar energy and decisions will have to be made committing labour and resources, but it will be for the community to democratically decide on the basis of transparent information, facts and reasonable argument, not the experts or people who work in each industry. The Socialist Party of Great Britain long ago rejected the "*syndicalist*" view of administration.

In Socialist society the community will have to take major decisions about the allocation of voluntary labour and finite resources. While production will be much greater than it is now, voluntary labour and resources will not be unlimited.

There are many people who would like to be able to visit the moon by rocket. The cost in voluntary labour, much of it specialist, and the material resources required would be enormous, and if allocated to that project, it would mean that labour and resources cannot be allocated to other industries that other people favour. The community will have to democratically decide between them.

The Problem of Size and Complexity

We now come to the question of central versus local administrative organisation. The advocates of centralisation say

that as there will be one world community sharing a common interest, the decision-making about what shall be produced and where and how it shall be produced will be made by a world central administrative organisation, and they will carry it out. They will make the decisions and what they decide will apply all the way down to local levels.

This appears unnecessary, undesirable and impracticable.

There is first the factor of size and complexity. As organisations become larger –larger in the number of people covered and larger geographically - its ability to handle centrally all the problems that arise decreases and because they are more remote from local needs their decisions and actions are more likely to be wrong.

We see this instanced in some huge company organisations operating over a large part of the world. The multi-nationals like Royal Dutch, Shell and GEC and others were often formed by amalgamations and takeovers and operate under rigid central direction. But, with experience, they see the need to give greater autonomy to functional and geographical divisions.

Royal Dutch Shell used to have rigid, top-down planning and direction but has dismantled a lot of its rigid hierarchal structure and given greater autonomy to their local boards.

But as regards socialist administration of things there is a more important criterion. And that is that a great majority of people prefer to live in settled communities, by which we mean that, while wanting to visit other places, the centre of their lives is where they live. And they are therefore much more concerned with how they spend their lives locally than they are with more remote communities in other parts of the world.

Historically, and this is particularly true under capitalism, people only migrate elsewhere under pressure. This pressure can be droughts, wars, political oppression, as in the case of Marx, local community violence and of course, unemployment.

These pressures to migrate will disappear in a Socialist society. This does not mean that people will not want to travel and to engage in dialogue, although the internet allows you to do this from the comfort of a bedroom or study. It just is that in our opinion the great majority of people will still be much more concerned with managing local affairs than with more remote problems.

And they will not want their local issues to be settled by the dictates of some world administrative organisation. Such a bureaucracy would result in the destruction of much of local institutions and imitative. It seems likely, therefore, that socialist administration will not be decision making by a central world organisation, with people regionally and locally falling into line. Instead people at a regional and local level will just get on with the task of ensuring production and distribution meets human needs in what form it takes where they live.

So what use would a world organisation of production and distribution have in a future Socialist society?

There are four areas where a world administration would have a useful role; first, a repository of information about production, transport and communications all over the world; second, a repository of expert technical information; third, that it would arrange co-ordination between surplus products in some areas and deficiencies in other areas; and fourth, they would extend some of the functions already existing at a world level, like health, atomic energy, food and agricultural organisations and so on.

As an example we can turn to the example of the Universal Postal Union. At present they handle three kinds of processes; financial, technical and organisational. The financial question will disappear, i.e. what the different organisations pay each other. Postal authorities in each country meet together and draw up conveyances which, when agreed, they all separately carry out. What the U.P.U does not do is to carry on the postal services themselves. They have no hand in it. But there is now and will continue to be agreement of all the postal services about weights and sizes of what they send abroad.

There is agreement about safety –exclusion of dangerous articles, explosives, poisoned articles and so on. There is agreement about forms of addresses, postal codes and evidence of parcels causing difficulties for workers on sorting

work. However, there is no case whatever for the U.P.U to organise and run the services themselves.

Of course, we are making one basic assumption. We do not envisage a Socialist world from which all the existing variations between different communities have been stamped out. That is total uniformity – with all people speaking the same language, reading the same books, watching the same television programmes - and other entertainment, providing identical services and so on.

On the contrary, we are assuming that while there will be the same Socialist mode of production, in Marx's meaning of the word, and consequently the same distribution according to need, i.e. free access, the different communities each with their own history, literature and language may well want to preserve their different cultural, environmental and artistic characteristics. While it is of interest to speculate on a future Socialist we are not obliged to produce detailed models to show how socialism will work, how it will solve the problems bequeathed by capitalism and the democratic administrative structure to ensure the rapid development of the forces of production once they are released from the constraints currently imposed by commodity production and exchange for profit..

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Gina Who?

It sometimes surprises socialists how slow the majority of the working class are to catch onto Socialist ideas. But really it shouldn't surprise us at all. As Marx put it, the prevailing ideas of a society are those of its ruling class. Today that means the ideas of the capitalist class like the dogma "*there is no alternative to capitalism*". This is presented as holy writ by the agents of the capitalist class, the journalists, broadcasters, politicians, academics, and so on who enjoys access to being heard. And there's the rub, - being heard! Among the cacophony of ruling class ideas, the voice for Socialism is all but drowned out. In Britain the Leveson Enquiry has shown how the politicians and the media cosy up to each other, all vying for influence and power to further the interests of the wealthy.

We've all heard of Rupert Murdoch and his media empire. The billionaire's influence stretches across the globe. From THE TIMES and the SUN in the UK to FOX NEWS in the USA, or as many pundits call it *faux news*, to its other tentacles throughout the world, Murdoch purveys his reactionary ideas to his apparently gullible public. The philosophy appears to be to give the workers enough sex, rock n' roll, sport, scandals, and other trivia to distract them from important questions like the private ownership of the means of production and the consequent enslavement of the majority of humanity. The message from Murdoch's and capitalism's media generally amounts to:

Private property is eternal, God given, and anyway there is no alternative! Capitalism is the best of all possible worlds, and workers have to look up to and respect their hard working betters like Murdoch, who only runs his businesses for the benefit of the employees!

Well the Australian, Rupert Murdoch, now has a new rival capitalist in town. Her name is Gina Rinehart. And guess what? Her ideas are even more reactionary than Murdoch's! As one of the richest people in the world, with a currently estimated fortune of about 19 billion GBP, through her ownership of various mining companies in Western Australia, she thinks climate change is nothing to do with human activity, and that nuclear bombs could be used for mining! According to an article in THE INDEPENDENT of 28th June 2012:

The notoriously secretive 58-year-old has acquired a seat on the board of the Ten Network, where her favourite journalist, the ultra-right-wing Andrew Bolt, has his own show. And she has become the largest shareholder in Fairfax Media, Australia's oldest and most venerable newspaper group, sparking fears that she wants to use her stake to promote her own commercial interests (28th June 2012)

Well surprise, surprise! Yet another capitalist who has humanity's welfare as her first objective!

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Unpopular Capitalism

In his Saturday column, the political journalist, Charles Moore, wrote despairingly of the current unpopularity of capitalism. Moore was worried that the current economic depression, the on-going financial crisis and the corruption in the City and elsewhere gave the impression that “*capitalism pretends to benefit the many but in fact only benefits capitalists*” (*How to take Britain from Bleak House to Great Expectations*, DAILY TELEGRAPH, 14 July 2012).

Moore looked back with sentimental nostalgia to the 1930's and the then policies of the Chancellor of the Exchequer, Neville Chamberlin. He claimed that at the beginning of the Great Depression, Chamberlin ran a tight austerity programme along with severe government spending cuts which then created the ground for improved economic conditions just prior to his premiership in 1937. In fact, Chamberlin himself believed he had the right policies to end the economic depression boasting to the House of Commons as early as 1934 that:

We have now finished the story of Bleak House and are sitting down this afternoon to enjoy the first chapter of Great Expectations.

Moore could not see any evidence of the present government under Cameron offering the working class “*the first chapter of Great Expectations*”. And this pessimism was made worse, when, in July 2012, the Organisation for Budgetary Responsibility painted a bleak and austere future for everyone except the rich. He worried that if there was no “*popular capitalism*” and no “*property owning democracy*” people would start to look seriously at a Socialist alternative. What of the reality of the 1930's? According to the historian, Tim Lambert:

The 1930s are remembered for unemployment. However, there was already mass unemployment in the 1920s in Britain. For most of the decade it hovered between 10% and 12%. Then, in the early 1930s, the economy was struck by depression. By the start of 1933 unemployment among insured workers was 22.8%. However unemployment fell substantially in 1933, 1934 and 1935. By January 1936 it stood at 13.9%. Unemployment continued to fall and by 1938 it was around 10% (EVERYDAY LIFE IN THE 1930's localhistories.org).

However although a partial recovery took place in the mid to late 1930s there were semi-permanent depression areas in the North of England, Scotland and South Wales. On the other hand new industries such as car, aircraft construction and electronics prospered in the Midlands and the South of England where unemployment was relatively low. Also, land for house building in the South was cheap. The problems of depression and high unemployment were only really solved by the Second World War, which conscripted many of the unemployed into the armed services not the result of the economic policies of Neville Chamberlin when Chancellor of the Exchequer. Even if the Second World War had not taken place, (following Chamberlin's declaration of war in 1939), capitalism would have eventually recovered because economic crises are part and parcel of the cyclical nature of commodity production and exchange for profit.

As Marx noted:

...capitalist production moves through certain periodical cycles. It moves through a state of quiescence, growing animation, prosperity, overtrade, crisis and stagnation (WAGES, PRICE AND PROFIT in Selected Works Vol. 1, p. 440 1975)

So Moore's nostalgia for the late 1930's is misplaced. And so is his erroneous conception of Socialism, for he writes:

“Under Socialism, the state grabs property, and calls it ownership in the name of the people. If the people can no longer own things through their own efforts, then Socialism will appeal to them once again”.

Of course, Socialism has nothing to do with the State. Moore confuses “*Socialism*” with state capitalism. Socialism is the common ownership and democratic control of the means of production and distribution by all of society. In Socialism there will be no State but an “*administration of things*”. Production and distribution will take place just to meet human need.

Unfortunately, Socialism has never previously appealed to the working class. If Socialism had become a serious threat capitalism would have become history. Instead, after the Second World War, workers acting against their own interests supported Labour's reform programmes. These social reforms were nothing to do with Socialism but were Labour's own form of "*popular capitalism*". Eventually Nationalisation was shown to be of no benefit to the working class. The State increasingly attacked workers' wages and conditions in the mines, the docks and elsewhere. Workers in State concerns were forced to strike for higher wages just as they had done when they were privately owned. Socialism it was not.

And Charles Moore should have asked himself why "*popular capitalism*" and a "*property owning democracy*" faded into obscurity under the last Thatcher/Major Conservative administrations. The reason is simple. Capitalism can never be made to work in the interest of all society. "*Sid*" lost his shares when made redundant and many workers who set themselves up as the self-employed were financially ruined by the depression of the early 1990's causing them to lose their homes. Capitalism can never offer the working class the first chapter of "GREAT EXPECTATIONS" only page after page of "BLEAK HOUSE".

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The Olympics and Marxist Conspiracy Theories

The word "*Socialist*" has been used to describe all manner of things which has nothing to do with being either a Socialist or with Socialism. Until quite recently the word "*Socialist*" was in vogue. The Labour Party was "*socialist*", so were many of the countries in the world; Russia, China, Vietnam and Sweden. Oswald Mosley and Hitler were even described as a "*Socialist*". More recently the US President, Barack Obama was called a "*Socialist*" by his detractors who opposed his health care reforms.

The distortion of the word "*Socialist*" came from two directions first, from the former Communist Parties of the world, Labour Governments and their respective media. And, second, from the Conservatives and their supporters to describe any form of State interference in the economy as "*Socialist*". Even, Lord Keynes, a thorough going Liberal, was described by some free market think tanks and market fundamentalists as a "*Socialist*".

The result has been utter confusion of what it is to be a Socialist and what Socialism will means as a distinct and separate world-wide social system from capitalism; namely the common ownership and democratic control of the means of production and distribution by all of society.

More recently the word "*Marxist*" has replaced "*Socialist*" by the media as a scare word to make their readership choke on their breakfast. The BBC is apparently a "*Marxist institution*" along with the GUARDIAN, Universities, Educationalists, Trade Union leaders and social workers. "*Cultural Marxists*" have taken over Hollywood. One US film critic even saw the recent Muppets film as "*Marxist*" because the baddie was a Texan Oil Executive. And the Norwegian terrorist, Anders Breivik, believed that "*Marxists*" were hand in hand with Islamists in some global conspiracy to undermine "*Western values*". "*Marxism*" is clearly the new demonology.

And demonise Marx they do. One sad conspiracy theorist recently wrote that Marxism was part of a World-wide Jewish conspiracy and stated on his blog: "*He (Marx) goes on. Destroy, destroy, destroy. All the known values that previous civilization has set up, Marx wants to destroy*" <http://gblt.webs.com/Marxism.htm> And a few years ago the Tories attacked an Open University course for teaching Marx's Labour theory of value. It transpired what was being taught was Adam Smith's cruder theory of value to be found in his WEALTH OF NATIONS. The Tory who complained could not tell the difference between the two theories and neither could the OU tutor teaching the subject.

So it comes as no surprise to read Stephen Glover's article "*Yes, Brilliant show and Danny Boyle's a Genius. But why have so many taken in by his Marxist propaganda?*" According to Glover "...Mr Boyle offered a billion people a strictly Marxist interpretation of British history" (DAILY MAIL, 2nd August 2012).

Glover wanted to demonstrate that the Olympic spectacle in July 2012 was a visual playing out of Marx and Engels's COMMUNIST MANIFESTO, with the Feudal Arcadian bliss of Blake's poem Jerusalem at the beginning of the show later being destroyed by the "*Dark Satanic Mills*" of the industrial revolution through the greed and avarice of the evil capitalists depicted in their top hats and coats. The utopian image of Blake's Jerusalem is not the same as Marx's conception of Socialism. With Blake, the religious imagery of the poem looks back to a mythical past while Marx's Socialism is conceived as a future social system coming out of capitalism through revolution. The necessity of Socialism, for Marx, is to free the social relations of production from the impediment of class ownership in order that the forces of production can be used directly to meet human need.

Glover's understanding of the COMMUNIST MANIFESTO is erroneous. Marx and Engels saw Feudalism just as exploitive as Capitalism, the former "*veiled by religious and political illusions*" (THE COMMUNIST MANIFESTO IN THE LAST 100 YEARS, Socialist Party of Great Britain, 1948, p.62). They also praised the capitalist class: "*The bourgeoisie, during its rule of scarce one hundred years, has created more massive and more colossal productive forces than have all preceding generations together*" (p.64). For Marx and Engels, the development of capitalism was a necessary pre-condition for Socialism.

Glover then tries to link the suffragettes, the Jarrow hunger marchers in the Thirties and the immigrants landing in Britain in the Empire Windrush to Marx's theory of "*class struggle*". Quite why Glover makes this connection remains a mystery. The suffragettes were a reform movement; the hunger marchers an outcome of the economic depression of the 1930's and the immigrants from the West Indies were brought in by a Labour Government in 1948 to make up for shortages in some areas of the labour market. Hardly examples of the class struggle over the intensity and rate of exploitation.

However, there was no Peterloo, no Tolpuddle Martyrs and no Chartists represented in the Olympic opening show; class struggle in its Marxian sense as "*the motor force of history*" was completely absent. And when has the NHS been a symbol of "*Socialism*"? There must be more to life than having to reply to Glover's feverish conspiracy theory? Yet Glover's batty ideas are read, digested and repeated by millions of people. Does Glover really believe what he is writing – he seems a little embarrassed knowing the ridicule that will be heaped upon him? More importantly, is his readership taken in by the rubbish he is writing? Unfortunately, judging by the on-line comments published at the DAILY MAIL the day of his article then a sizable portion of the readership have been well and truly taken in by Boyle's "*Marxist conspiracy*" to undermine a conservative reading of British history.

So what then is a Marxist? It would be reasonable to assume that a Marxist is someone who has read Marx's works and agrees with Marx's analysis of why social systems change. After all, at the end of Mr Boyle's show, there was no Socialist future offered to the one billion spectators only more commercial sport, money making and the "*cash nexus*" associated with capitalism. Hardly Marxist!

A Marxist would also agree with Marx that capitalist is exploitive; through the process of the working class producing more social wealth than they get in wages and salaries. The capitalist class receive their unearned income in the form of rent, interest and profit. Given the sponsors and the world's ruling class assembled at the Olympic Stadium, class exploitation made no appearance in Mr Boyle's script.

And a central principle of a Marxist would be to agree with Marx that the revolutionary agent of change is the world's working class acting consciously and politically to establish Socialism. Not to light a very expensively made copper torch symbolising "*no other nexus between man and man than naked self-interest, than callous cash payment*" (p.62).

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Object and Declaration of Principles

Object

The establishment of a system of society based upon the common ownership and democratic control of the means and instruments for producing and distributing wealth by and in the interest of the whole community.

Declaration of Principles

THE SOCIALIST PARTY OF GREAT BRITAIN HOLDS:

1. That society as at present constituted is based upon the ownership of the means of living (ie land, factories, railways, etc.) by the capitalist or master class, and the consequent enslavement of the working class, by whose labour alone wealth is produced.
2. That in society, therefore, there is an antagonism of interests, manifesting itself as a class struggle, between those who possess but do not produce and those who produce but do not possess.
3. That this antagonism can be abolished only by the emancipation of the working class from the domination of the master class, by the conversion into common property of society of the means of production and distribution, and their democratic control by the whole people.
4. That as in the order of social evolution the working class is the last class to achieve its freedom, the emancipation of the working class will involve the emancipation of all mankind without distinction of race or sex.
5. That this emancipation must be the work of the working class itself.
6. That as the machinery of government, including the armed forces of the nation, exists only to conserve the monopoly by the capitalist class of the wealth taken from the workers, the working class must organise consciously and politically for the conquest of the powers of government, national and local, in order that this machinery, including these forces, may be converted from an instrument of oppression into the agent of emancipation and the overthrow of privilege, aristocratic and plutocratic.
7. That as all political parties are but the expression of class interests, and as the interest of the working class is diametrically opposed to the interests of all sections of the master class, the party seeking working class emancipation must be hostile to every other party.
8. The Socialist Party of Great Britain, therefore, enters the field of political action determined to wage war against all other political parties, whether alleged labour or avowedly capitalist, and calls upon the members of the working class of this country to muster under its banner to the end that a speedy termination may be wrought to the system which deprives them of the fruits of their labour, and that poverty may give place to comfort, privilege to equality, and slavery to freedom.

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